

STATE OF SOUTH CAROLINA
BEFORE THE PUBLIC SERVICE COMMISSION

DOCKET NO. 2004-178-E

IN THE MATTER OF:)	
)	
South Carolina Electric & Gas Company)	INTERROGATORIES OF
Application for Adjustment in the Company's)	THE CONSUMER ADVOCATE
Electric Rate Schedules and Tariffs)	(Set No. 1)
_____)	

Pursuant to S.C. Code Ann. § 37-6-601 et. seq., (2003), and 26 S.C. Code Ann. Regs. 103-851 (1976 and Supp. 2003), this party of record and Intervenor, Elliott F. Elam, Jr., Acting Consumer Advocate for the State of South Carolina, hereby serves these Interrogatories upon South Carolina Electric and Gas Company (SCE&G or Company) in Docket No. 2004-178-E and files the original and one (1) copy with the Honorable Bruce F. Duke, Executive Director of the South Carolina Public Service Commission.

IT IS HEREIN REQUESTED:

- A. That all information requested below, unless otherwise specified, be limited to the Company's South Carolina operations.
- B. That all information shall be provided to the undersigned in the format as requested.
- C. That all responses to the requests below be labeled using the same numbers as used herein.
- D. That if the requested information is found in other places or in other exhibits, reference not be made to those, but instead, that the information be reproduced and placed in the interrogatory response in the appropriate sequence.
- E. That any inquiries or communications relating to questions concerning clarifications of the data requested below be directed to the undersigned.
- F. That all exhibits be reduced to 8½" x 11" format.

- G. That the requested information be bound in ring binders (loose leaf notebook) or otherwise bound.
- H. That in addition to the signature and verification at the close of the Company's responses, the Company witness(es) or employee(s) responsible for the information contained in each answer be indicated.
- I. That each of these Interrogatories be reproduced at the beginning of each of the responses.
- J. That the Company provide the Consumer Advocate two copies of the responses to these Interrogatories as soon as possible, but no later than **August 2, 2004**, and provide one copy to:

Glenn A. Watkins
Technical Associates, L.L.C.
1051 East Cary Street, Suite 601
Richmond, VA 23219

- K. If the response to any Interrogatory is that the information requested is not currently available, state when the information requested will be available.
 - L. These Interrogatories shall be deemed to be continuing so as to require the Company to supplement or amend its responses as any additional information becomes available.
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- 1-1. Please provide any and all information that already was or will be provided to the Staff of the South Carolina Public Service Commission in the course of the current PSC audit of SCE&G or otherwise in connection with this proceeding and not specifically requested by PSC Staff in Staff's Data Requests.
 - 1-2. Please provide a copy of all responses to data requests (formal and informal) propounded by other parties to this proceeding.
 - 1-3. Please provide a copy of SCANA 2002 and 2003 annual report to shareholders.
 - 1-4. Please provide a copy of all workpapers supporting the proposed accounting and Pro-Forma adjustments provided in Exhibits D-II through D-VI of the Company's application.
 - 1-5. Please provide all data, workpapers, analyses, and supporting documentation supporting the proposed Depreciation Study. In this response, provide all vintage plant data, simulated plant data, selected Iowa curves, net salvage studies, etc. Provide in hard copy as well as in executable electronic form.

- 1-6. For each good and/or service purchased by the Company from an affiliate during the test year:
 - (a) What is the amount and account charged?
 - (b) What is a description of the goods and services?
 - (c) Identification of affiliate.
- 1-7. For each good and/or service sold by the Company to an affiliate during the test year”
 - (a) What is the amount and account charged?
 - (b) What is a description of the goods and services?
 - (c) Identification of affiliate.
- 1-8. Please provide detailed workpapers and calculations regarding allocations of costs (other than direct billings) to and from affiliates.
- 1-9. Please provide a copy of any procedure manuals that describe the manner in which common costs are allocated among the subsidiary companies.
- 1-10. Please provide an itemized listing of each of the deferred debits included in the test year balance.
- 1-11. Please provide all emissions allowances bought or sold during the test year. In this response, provide the total amount bought or sold (by SCANA or SCE&G), S.C. retail amount included in test year amounts, and account number(s) booked.
- 1-12. Please identify and detail all industry association dues, specifically including EEI dues and breakdown of their uses within the association. Please quantify any benefits to ratepayers from such associations.
- 1-13. Provide all calculations and workpapers supporting the Company’s proposed Cash Working Capital allowance.
- 1-14. Please provide the actual detailed balance of materials and supplies, by month, for each of the most recent 36 months.
- 1-15. Please provide test year purchased power expense.
- 1-16. Please detail economic development expenditures, including accounts charged, and totaling in the entire amount of such expenditures charged to cost of service for the test year. Please provide a cost/benefit analysis of the economic development programs and a description of how each program directly benefits the Company’s ratepayers.
- 1-17. Please detail the litigation expenditures, excluding rate case expenditures, for the test year and the previous four calendar years.

- 1-18. Please provide detail of all legal fees for the test period, and the accounts to which such fees are charged, including:
- (a) person or firm paid;
 - (b) description of services performed; and,
 - (c) Account Number.
- 1-19. Please provide details, dollar amounts and accounts charged for any items which may have caused unusual expense or rate base levels during the test year.
- 1-20. Please provide a detailed schedule of accumulated deferred income taxes (ADIT) for the test year.
- 1-21. Please provide the dollar amounts included in the above response which represent (1) protected ADIT and (2) unprotected ADIT.
- 1-22. Please provide a detailed calculation of any excess unprotected accumulated deferred income taxes on the books at the end of the test year.
- 1-23. Please provide a description of how unprotected excess accumulated deferred income taxes were treated for purposes of this proceeding.
- 1-24. Please provide the dollar amount and account charged for any officer incentive compensation payments made for the test year.
- 1-25. Please provide a detailed explanation of how officer incentive compensation plan payments are arrived at.
- 1-26. Please provide the dollar amount and account charged for any other incentive compensation plan payments made during the test year.
- 1-27. Please provide a detailed explanation of how any other employee incentive compensation plan payments are arrived at.
- 1-28. Please provide a schedule of any abandoned projects for the test year and indicate how they were accounted for.
- 1-29. Please explain and provide dollar amounts of all GridSouth costs included in this application (rate base, expenses, deferred taxes, etc.).
- 1-30. Please provide a copy of all correspondence, internal memoranda, and all other documents concerning the establishment of a single southeastern RTO, SCE&G's possible participation, and GridSouth's possible participation.

- 1-31. Provide a copy of the GridSouth Board of Directors minutes approving the suspension of the GridSouth project.
- 1-32. Provide a copy of the SCANA and/or SCE&G Board of Directors minutes approving the suspension of the GridSouth project.
- 1-33. Provide details underlying the allocation or ownership of GridSouth costs and investments to SCE&G.
- 1-34. Provide a copy of all agreements between SCE&G and GridSouth.
- 1-35. Provide an itemization and explanation of all GridSouth RTO costs (expenses and investment) incurred to date, i.e., from its inception to the present.
- 1-36. Provide a copy of GridSouth's 2001 and most recent available detailed financial statements by account.
- 1-37. Provide the amount of SCE&G's GridSouth investment and costs allocated to wholesale business.
- 1-38. Please explain all perceived benefits that retail rate payers would receive from the formation of GridSouth (or any other RTO) under the scenarios with and without retail competition in South Carolina.
- 1-39. Please provide a copy of all bills and invoices relating to wholesale sales to the North Carolina cooperatives/municipalities.
- 1-40. Please provide a copy of all contracts relating to the construction of the Jasper plant between any SCANA affiliate (including SCE&G) and Duke/Fluor Daniel.
- 1-41. With respect to the Storm Damage Reserve Fund, provide the following:
 - (a) balance at beginning of test year;
 - (b) total additions during test year;
 - (c) total deductions during test year;
 - (d) balance at end of test year; and,
 - (e) details underlying each deduction since the SCE&G's last rate case.
- 1-42. Please provide copies of all reports or notifications made to the Commission in connection with the storm damage reserve account since SCE&G's last rate case. Also, please provide any responses received from the Commission with regard to your notifications or reports.
- 1-43. What was the initial storm damage component built into the rates? If any changes have occurred in the amount of the component since the inception of the program, please provide the entire history of the changes.

- 1-44. Please provide, on an annual basis since the inception of the program, the balances in the storm damage reserve account.
- 1-45. Are your transmission and distribution assets now totally uninsured with respect to any kind of storm and/or flooding? If the answers is no, please provide information regarding the extent of insurance.
- 1-46. Has the storm damage reserve been audited, whether by internal or external auditors, the Commission Staff, FERC Staff, etc.?
- 1-47. Please provide general ledger detail for the storm damage accumulated reserve account. In this response provide sufficient detail to identify individual invoices, work orders, or other transactions along with an identification of each storm or type of storm.
- 1-48. With respect to the replacement of capitalized items (e.g., poles, transformers, conductors) destroyed by storms, please provide the accounting treatment of these assets, and indicate if any amount reduced the storm reserve balance.
- 1-49. Please provide all workpapers, calculations, and spreadsheets supporting the Company's proposed class cost of service study.
- 1-50. Please provide all cost allocation studies and supporting workpapers used to develop S.C. Retail Electric revenues, expenses and rate base. Include in this response all studies used to allocate jurisdictional, regulated/non-regulated, gas vs. electric, etc. Provide in sufficient detail to track all items from a Total Company basis to S.C. Retail Electric amounts by account.
- 1-51. Please provide a copy of the Class Cost of Service Study on electronic media (CD or 3.5" diskette) in executable Microsoft compatible (Excell or Lotus) format.
- 1-52. Please explain in detail and provide all workpapers and calculations relating to how customer class demands are measured, estimated or determined.
- 1-53. For each year since SCE&G's retail rate case in 1995, please provide the Company's annual total retail peak demand and the coincident peak demand for the Company's retail rate classes.
- 1-54. Please provide materials describing the demand allocation method and the demand allocators used in the Company's last retail rate case as well as the class and Company load data on which such allocators were based.

- 1-55. Regarding Exhibit No.____(JRH-5) entitled "Cost for Electric Reconnection":
- a. Please provide materials describing the method used to determine the various travel and work times used in the exhibit.
 - b. Please describe how many dedicated electric reconnections crews the Company has operating on average and during peak reconnection periods.
- 1-56. Please provide copy of the following documents:
- (a) 2003 Form 10K for SCANA;
 - (b) 2003 Form 10K for SCE&G;
 - (c) Latest prospectus for issuance of common stock by SCANA; and,
 - (d) Latest prospectus for issuance of long-term debt by SCE&G.
- 1-57. Please provide a schedule showing the capital structure (dollars and percentages) ratios of both SCANA and SCE&G (including common equity, preferred stock, long-term debt and short-term debt) for each year 1999-2003 and the first two quarters of 2004.
- 1-58. Please provide a schedule showing business segment ratios of revenues, operating income, capital expenditures and identifiable assets of SCANA for each year 1999-2003.
- 1-59. Please provide a schedule showing, for each year 1994-2003 and currently, the security ratings of both SCANA and SCE&G.
- 1-60. Please provide copy of all reports or analyses of SCANA and SCE&G by ratings agencies for the period 1999-present.
- 1-61. Please provide copy of all reports or analyses of SCANA by security analysts for the period 1999-present.
- 1-62. Please provide a schedule showing the monthly balance of short-term debt for SCE&G for the period 1999-present.
- 1-63. Please indicate the current cost of short-term debt for SCE&G.

NUCLEAR DECOMMISSIONING

- 1-64. With respect to Nuclear Decommissioning costs, provide the following:
- (a) trust fund balance at beginning of test year;
 - (b) trust fund balance at end of test year;
 - (c) contributions during test year;
 - (d) interest accrued during test year;
 - (e) S.C. retail jurisdictional allocation factor; and,
 - (f) all reports, studies, or correspondence to or from the Nuclear Regulatory Commission, or Internal Revenue Service during the last three years.
- 1-65. Please provide copies of all analyses, assessments, evaluations, estimates, quantifications, studies and critiques of the cost of decommissioning the Summer nuclear plant that have been prepared by or for SCE&G since January 1, 1999.
- 1-66. Please provide copies of all analyses, assessments, evaluations, estimates, quantifications, studies and critiques of the cost of decommissioning the Summer nuclear plant that have been prepared by or for SCE&G which assume or reflect the extension of the plant's operating life beyond the end of its current NRC-issued operating license.
- 1-67. Please provide copies of all analyses, assessments, evaluations, estimates, quantifications, studies and critiques of the cost of decommissioning the Summer nuclear plant that were prepared by or for SCE&G which have assume or reflect the use of a delayed dismantlement or SAFSTOR strategy at the ultimate end of the plant's operating life.
- 1-68. Please specify and quantify the increased costs that the Company has incurred as a result of the U.S. DOE's failure to begin accepting spent nuclear fuel starting in 1998.
- 1-69. Please provide a copy of the Company's current business plan for its nuclear operations and/or the Summer nuclear plant.
- 1-70. Please provide the Company's current estimates, analyses, and assessments of the future availability and cost of disposal of low-level radioactive wastes from the Summer nuclear plant. Also provide the source documents from which these current estimates, analyses and assessments have been taken or developed.
- 1-71. a. Specify the actual earnings rates that have been earned on the Summer plant's decommissioning trust fund(s) during the ten year period ending June 30, 2004.
- b. Specify the actual earnings rates that have been earned on the Summer plant's decommissioning trust fund(s) during the five year period ending June 30, 2004.
- c. Specify the future earnings rate(s) that the Company expects it will earn on the Summer plant's decommissioning trust fund(s). Also provide the source documents from which these forecasts have been taken or developed.

- 1-72. Please provide copies of the periodic decommissioning status reports that the Company has submitted to the NRC since January 1, 2001.
- 1-73. Please provide a copy of the Summer plant life extension/license renewal application that was submitted by the Company to the NRC.
- 1-74. Please specify the future rate(s) at which the Company expects the cost of decommissioning the Summer plant to escalate. Also provide the source documents from which these estimates have been taken or developed.
- 1-75. Quantify the impact that the extension of the Summer Plant's operating life will have on the plant's annual depreciation charges. Also provide the workpapers used in the derivation of this answer.
- 1-76. Please provide the Company's forecasts of the end-of-year balances in the Summer nuclear plant's decommissioning trust fund(s) for each year through the plant's currently projected end of life.
- 1-77. Please provide the Company's forecasts of the end-of-year balances in the Summer nuclear plant's decommissioning trust fund(s) for each year through what the plant's end of life will be due to the NRC approval of the Company's request to renew the Summer plant's operating license.

Elliott F. Elam, Jr.
Acting Consumer Advocate

Hana Pokorna-Williamson
Staff Attorney

By:

S.C. Department of Consumer Affairs
3600 Forest Drive
Post Office Box 5757
Columbia, S.C. 29250-5757
(803) 734-4188

July 23, 2004

CERTIFICATE OF SERVICE

This is to certify that I, Hana Pokorna-Williamson on behalf of Elliott F. Elam, Jr., Acting Consumer Advocate, have served this day the foregoing **Interrogatories of the Consumer Advocate** upon the Executive Director of the Commission and the persons named below, at the addresses set forth, by personal delivery.

F. David Butler, Esquire
S.C. Public Service Commission
P.O. Drawer 11649
Columbia, SC 29211

Catherine D. Taylor, Esquire
SCANA Corporation
Legal Department
Columbia, SC 29218

Francis P. Mood, Esquire
Haynsworth Sinkler Boyd, P.A.
P.O. Box 11889
Columbia, SC 29211-1889

Frank R. Ellerbe, III, Esquire
Robinson, McFadden & Moore
P.O. Box 944
Columbia, SC 29202

Scott Elliott, Esquire
Elliott & Elliott, P.A.
721 Olive Street
Columbia, SC 29205

Dr. Kay Davoodi, P.E
Department of the Navy
Engineering Field Activity Chesapeake
Attn: Utility Rates Office
1314 Harwood Street, S.E.
Washington Navy Yard, D.C. 20374-5051

Audrey Van Dyke, Esquire
Department of the Navy
Naval Facilities Engineering Command
Litigation Headquarters
720 Kennon Street, S.E.,
BLDG 36, Room 136

July 23, 2004
Columbia, South Carolina